



State Board of Equalization

News Release

Vice Chair Michelle Steel

3rd District – Rolling Hills Estates

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Executive Director
www.boe.ca.gov

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Gasoline and Diesel Prices Soar in California; Consumption Drops

Sacramento – Gasoline and diesel prices surged in California in January 2012 while consumption dropped. According to a report released today by Michelle Steel, Vice Chair of the California State Board of Equalization (BOE), gasoline prices jumped 10.6% to an average of \$3.75 a gallon, while consumption declined 3.2 percent compared to a year ago.

“Rising gas prices are bad news for California drivers, but good news for politicians intent on spending more of our hard-earned income,” said Steel. “Even with lower gas consumption, high gas prices mean higher tax payments on each gallon of gas, and increased costs for consumer goods made or transported using gasoline or diesel.”

The high price of gasoline was a primary factor in the rise in consumer prices. The U.S. [Bureau of Labor Statistics](#) reported in January 2012 that its consumer price index rose 2.9% in January 2012 from year earlier.

In California, diesel fuel prices were up 15.2% to \$4.10 as consumption decreased 5.4% in January from a year earlier. Diesel consumption, used largely by commercial transportation, often reflects the pace of economic activity such as imports and exports through California ports, supply and demand conditions in residential and nonresidential construction, and agriculture.

Nationally, the U.S. [Energy Information Administration](#) (EIA) reports that the average price of a gallon of gasoline was up 9.2% to \$3.44 in January from a year ago. The [EIA](#) also reported that the national average price of a gallon of diesel was up 13.0% to \$3.83 in January from a year earlier.

Consistent with using less gasoline, the [Federal Highway Administration](#) data show a 1.2% decline in vehicle miles traveled by Californians in January 2012 from a year earlier.

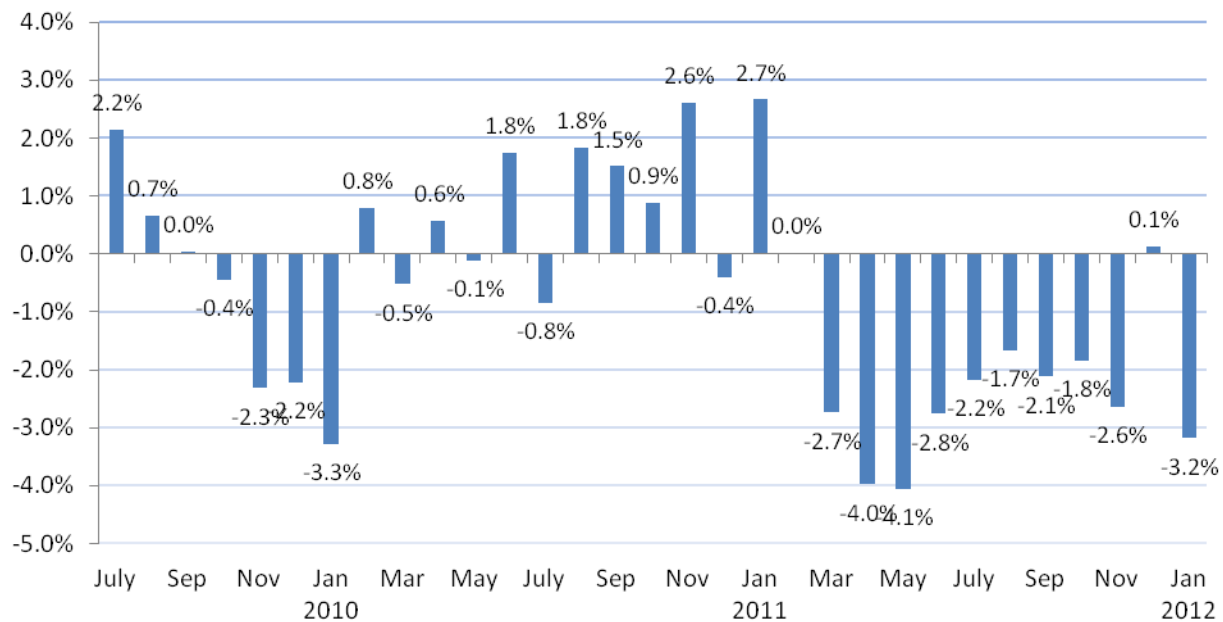
California gasoline and diesel fuel figures are net consumption, including audit assessments, refunds, amended and late tax returns, and the State Controller’s Office refunds. BOE is able to monitor gallons through tax receipts paid by fuel distributors in California. BOE updates the fuel reports at the end of each month.

Fuel Statistics and Reports www.boe.ca.gov/sptaxprog/spftrpts.htm

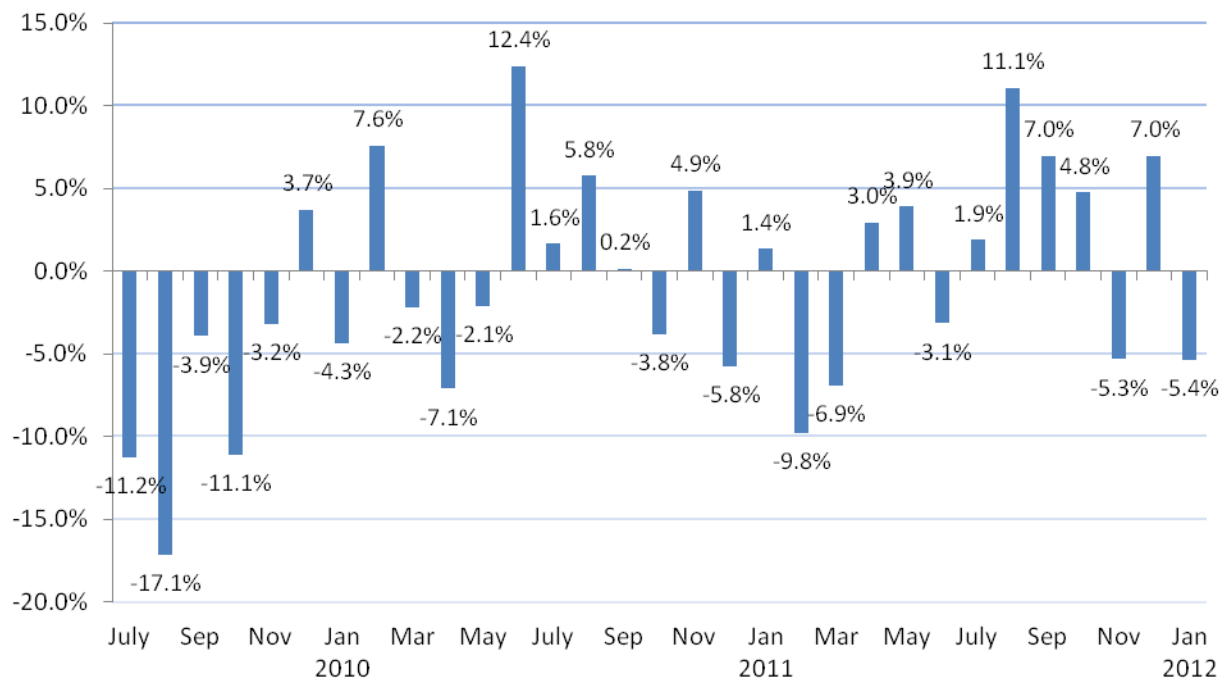
Taxable Gasoline Gallons Report: www.boe.ca.gov/sptaxprog/reports/MVF_10_Year_Report.pdf

Taxable Diesel Gallons Report: www.boe.ca.gov/sptaxprog/reports/Diesel_10_Year_Report.pdf

Percent Change in Gas Consumption Compared to Twelve Months Prior From July 2009 Through January 2012



Percent Change in Diesel Gallons Compared to Twelve Months Prior From July 2009 Through January 2012



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Elected to the Board of Equalization in 2006 and re-elected in 2010, Michelle Steel serves as *Southern California's elected taxpayer advocate*. In December 2007, Steel discovered the Board of Equalization had delayed the return of millions of dollars in security deposits owed to California businesses. Procedures were changed due to Steel's decisive leadership. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses. To date, over \$100 million in security deposits have been returned to taxpayers.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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